

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Villaraigosa, et al. Analyst: Kristina E. North Bill Number: AB 1728

Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: August 7, 2000

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Exclusion/Reparation Payments Received from German Foundation Known as Remembrance, Responsibility, and the Future

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED JANUARY 5, and AMENDED MARCH 13, 2000, STILL APPLY.

☒ OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law, this bill would exclude from gross income any amounts received as reparation payments paid by the German Foundation known as Remembrance, Responsibility, and the Future, or from any other source of humanitarian reparations, to redress the injustice done to persons who were required to perform slave or forced labor during World War II.

SUMMARY OF AMENDMENT

The August 7, 2000, amendment deleted from the exclusion reparation payments made to those persons required to sell property at below-market prices during World War II. Except for the items discussed in this analysis, the department's analyses of the bill as introduced January 5 and amended March 13, 2000, still apply.

Tax Revenue Estimate

The August 7, 2000, amendment reduces the rule of thumb revenue loss by approximately 50% to \$1.5 million.

It is assumed that approximately 50% of the number of claims for reparation payment exclusions would have been from persons required to sell property at below-market prices during World War II. Thus, with an average of \$5,000 per claimant, for every 5,000 qualified claimants the revenue loss would be on the order of \$1.5 million.

BOARD POSITION

Support. The Franchise Tax Board voted 2-0 at its February 8, 2000, meeting to support this bill, with Member B. Timothy Gage abstaining.

Board Position:

<input checked="" type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

8/21/2000